

Sustainability

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# **Social Initiatives**

# Respect for Human Rights

### **UBE Group Human Rights Guidelines**

The UBE Group is committed to respecting human rights across all of its corporate activities. We comply with national and regional laws, regulations, and social norms in keeping with the globalization of our activities. We support and respect international standards on human rights including the Universal Declaration of Human Rights and ILO Declaration on Fundamental Principles and Rights at Work. We rapidly identify, prevent, mitigate, and appropriately remedy negative impacts on human rights from our corporate activities in order to meet our social responsibilities as a corporation.

#### Positioning of These Guidelines and Scope of Application

These guidelines are consistent with the United Nations Guiding Principles on Business and Human Rights. Together with the UBE Group Action Guidelines, they guide our human rights efforts across our corporate activities, which are based on the UBE Corporate Philosophy and UBE Management Principles. These guidelines apply to all officers and employees of the UBE Group. We also ask all of our business partners, the entire supply chain, and all other parties involved in our business activities to conduct themselves according to the principles of these guidelines and respect human rights.

#### Respect for Human Rights

We respect for fundamental human rights of all persons and endeavor to help people live in peace and security. Furthermore, we ask all stakeholders of our business to respect and not infringe upon human rights, in order to avoid indirectly contributing to human rights infringements.

#### **Prohibiting Discrimination**

We prohibit discrimination in all of its forms including based on gender, nationality, ethnic background, race, disability, health condition, age, social status, home environment, religion, faith, gender identification, sexual orientation or type of employment.

#### **Prohibiting Harassment**

We prohibit harassment in any form that violates the dignity of individuals including sexual harassment, harassment involving abuse of power, and harassment against pregnant employees.

#### **Rights of Workers**

We respect the basic rights of workers including the freedom of association and right to collective bargaining. We do not tolerate forced labor or child labor in any form. We also comply with the laws and regulations that apply in the countries and regions in which we operate and engage in responsible labor practices including ensuring occupation health and safety in workplaces, fair and appropriate wages that take a living wage into account, and proper management of working hours.

#### Education

We implement suitable human rights education to ensure that all officers and employees properly understand and are aware of human rights.

#### **Human Rights Due Diligence**

In order to meet our responsibility to respect human rights, we identify adverse impacts on human rights our corporate activities could have, based on the approach for human rights due diligence described in the Guiding Principles on Business and Human Rights. We implement initiatives to prevent and mitigate adverse human rights impacts, and endeavor to undertake suitable and effective remedies if adverse human rights impacts arise from our corporate activities. We also work to correct adverse human rights impacts that arise in supply chains.

#### Addressing Human Rights Infringements

If a human rights infringement is discovered, we promptly remove the source of the infringement on human rights and undertake corrective countermeasures or cooperate on countermeasures with support from within and outside the Group. To ensure that we rapidly identify and correct human rights issues, we suitably operate grievance mechanisms and continually develop effective mechanisms.

#### Engagement

We utilize specialized knowledge on human rights from within and outside the Group in various ways, and continually engage in dialogue with stakeholders on human rights issues that surround the UBE Group, seeking to advance our human rights initiatives.

Masato Izumihara
President and Representative Director
UBE Corporation

#### **Respecting Human Rights**

The UBE Group Action Guidelines state our respect for individuals, fostering mutual understanding, and eliminating discrimination based on gender, nationality, race, disabilities, age, social status, religion, beliefs, or sexual orientation. In addition, the Group will refrain from all inhumane practices including forced labor, child labor, and human trafficking, as well as refraining from having any ties with individuals and organizations that are involved in such practices.

#### **Human Rights Training and Education for Employees**

We created a Groupwide framework to educate employees about human rights based on the UBE Group Human Rights Guidelines. We ensure that all employees understand and embody our stance on human rights in all aspects of business by providing ongoing training.

In fiscal 2022, all UBE Group operations in Japan conducted an e-learning initiative marking Human Rights Week to showcase the topics of business and human rights and human rights due diligence and our initiatives. We also conducted a survey to identify areas in which employees perceive that there are human rights risks.

Human Rights Training Sessions in Fiscal 2022

Initiative	Times held	Participants
e-learning	1	6,794 (Domestic Group operations, including directors)
New employee training	1	47 (Parent company)
Job-specific training	1	310 (Parent company)

### **Compliance Hotline for Human Rights Issues**

In cases where a human rights infringement is revealed through <u>internal reporting</u>, business reports, or other channels, the UBE Group takes prompt action to correct the situation and administers the appropriate internal discipline. In addition, the Group reports such cases to management and disseminates this information throughout the Group to improve its efforts to ensure respect for human rights and to prevent recurrence. In fiscal 2022, there have been no cases of serious human rights infringement, such as those that could involve criminal penalties, involving UBE Group companies or their employees.

### **Human Rights Initiatives in Supply Chains**

The UBE Group Sustainable Procurement Guidelines, which include measures to address human rights, apply to all Group business partners, in order to ensure that human rights are respected throughout the entire supply chain. The Guidelines clearly state that the Group will not tolerate any inhumane acts, including forced labor, child labor, and human trafficking.

In accordance with these guidelines, the Group assesses risks from the perspective of CSR by <u>conducting regular surveys of its</u> <u>major business partners</u>. The Group also works with business partners to address such human rights issues as labor conditions and the risk of human rights infringement.

The fourth business partner sustainability surveys revealed that suppliers have implemented a certain level of initiatives and measures pertaining to the human rights issues covered by the survey.

For more information, see Supply Chain Management and Results of the Fourth Survey of Business Partners on ...

### Support for the UN Global Compact

The UBE Group signed the United Nations Global Compact in April 2021, and continues to uphold its principles.

The Group also joined the Global Compact Network Japan to further enhance its human rights protection efforts by participating in two subcommittees led by member organizations: the Human Rights Due Diligence (HRDD) Working Group and the Human Rights Education Working Group.

# Announcing Our Support of the "My Jinken Declaration" (Declaration of Human Rights) Project Advocated by the Ministry of Justice

In August 2021, UBE announced its own "My Jinken Declaration" (Declaration of Human Rights), supporting the "My Jinken Declaration" project advocated by the Ministry of Justice.

The ministry's "My Jinken Declaration" initiative aims to realize a society in which everyone respects human rights. To this end, this initiative encourages various entities, including business corporations, and individual citizens to publicly declare their commitment to respecting human rights and to take action in keeping with such commitment.

Currently, the UBE Group is striving to "Continue to Create Value for All Stakeholders" in line with "Vision UBE 2025," in which the Group defines its ideal with regard to what it must look like in 2025. With this in mind, we have also established the "UBE Group Human Rights Guidelines." These guidelines are based on the UBE Corporate Philosophy and UBE Management Principles and designed to ensure respect for human rights throughout the course of all our business activities.

Looking ahead, we will respect the human rights of all who come into contact with the UBE Group as part of proactive efforts to fulfill our corporate social responsibilities.





President & Representative Director Masato Izumihara

"The UBE Group has positioned respecting human rights as a fundamental rule guiding its corporate activities. In step with the globalization of our business operations, we are ever more conscious of maintaining compliance with laws, regulations and social norms in countries and regions in which we operate. At the same time, we support and honor international norms associated with human rights, such as the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

Furthermore, we are committed to ensuring the early identification, mitigation and prevention of incidents that exert a negative impact on human rights in the course of our business activities and to otherwise undertaking proper measures to protect human rights. In these ways, we will fulfill our responsibilities as a good corporate citizen."

# **Human Rights Due Diligence Progress**

We endeavor to identify, prevent, and address any human rights infringements in our activities. We will deploy a PDCA cycle through and beyond 2024 based on the following process.

#### Progress in Fiscal 2022

#### Human Rights Due Diligence Progress through Fiscal 2022

Specific Initiatives	Results and Future Initiatives
Surveyed human rights risks of 18 domestic and 21 overseas based on information from leading nongovernmental organizations, media outlets, and social networking services around the world	Survey identified no noteworthy risks
Listed employee-perceived risks and adverse impacts based on Japanese government table of 25 key human rights and human rights risks related to corporate activities	Enhanced counseling channels and bolstered education in view of the high number of respondents identifying harassment as a risk. In fiscal 2023, we will map out and prioritize risk probabilities and severities and act accordingly
Used United Nations Guiding Principles Reporting Framework Self-Assessment Check Sheet to track site progress and share specific initiatives	Look Into rolling out initiatives across organization while factoring in national legal and cultural backdrops
See page 67 for more information on supply chain management.	
	Surveyed human rights risks of 18 domestic and 21 overseas based on information from leading nongovernmental organizations, media outlets, and social networking services around the world Listed employee-perceived risks and adverse impacts based on Japanese government table of 25 key human rights and human rights risks related to corporate activities  Used United Nations Guiding Principles Reporting Framework Self-Assessment Check Sheet to track site progress and share specific initiatives



- Establish human rights due diligence structure and maintain external website
- Educate about human rights through e-learning and job-specific training



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# **Customers and Business Partners**

<u>Procurement (Supply Chain Management)</u> <u>Logistics</u> <u>Respect for Intellectual Property</u>

# **Procurement (Supply Chain Management)**

The UBE Group has published a basic procurement policy which strives to establish fair and equitable trade relations. The policy outlines the Group's compliance activities in the areas of fair and equitable transactions, objective assessment in the selection of business partners, legal compliance and confidentiality, green procurement, and socially responsible procurement. Learn more by visiting Procurement Information.

#### **Sustainable Procurement Activities**

The UBE Group has established a Socially Responsible Procurement Policy and the UBE Group Sustainable Procurement Guidelines. These encompass respect for human rights, compliance with laws and social norms such as the exclusion of organized criminal groups and other anti-social forces, and commitment to the environment. Under the policy and guidelines, the Group aims to enhance sustainable practices throughout its supply chain. The guidelines, revised to include specific details, were published on the UBE Group website in March 2021. The Group informs new business partners of its basic purchasing policy and the UBE Group Sustainable Procurement Guidelines and refers them to the Group's website.

The Group conducted its third regular survey of business partners on CSR in fiscal 2019, receiving responses from 276 major customers and business partners who collectively account for 90% of the purchase value of materials, construction, packaging materials, and fuel oils. The survey responses were aggregated and analyzed to provide feedback for all Group companies. The UBE Group also met with business partners with lower ratings to help them improve their efforts in this regard.

Using ratings from 1 to 5, the survey asked business partners to self-evaluate their CSR initiatives in six thematic areas (27 questions in total): (1) internal structure for practicing sustainability; (2) ensuring stable supply and quality; (3) corporate ethics, compliance with the law and social norms, and fair transactions; (4) consideration for the environment; (5) respect for human rights, safety, and health; and (6) social contribution, communication with society, and information management and disclosure. The survey found an overall average rate of 3.8, indicating that business partners are engaging in a decent level of effort on their initiatives. A breakdown by topic reveals a high level of effort, at 4.4, on "respect for human rights, safety, and health," while "consideration for the environment" was relatively low, at 3.4.

More than 80% of respondents are engaging in a decent level of effort on measures and initiatives with regard to three aspects of human rights: (1) prohibiting harassment; (2) prohibiting forced labor, slave labor, child labor, and unfair low-wage labor; and (3) prohibiting discrimination based on gender, race, nationality, age, religion, and disability. Learn more by visiting Results of Third Survey of Business Partners on CSR.

In fiscal 2021, the UBE Group conducted the fourth survey of business partners.

- Procurement Activities
- UBE Group Sustainable Procurement Guidelines
- Results of the Fourth Survey of Business Partners on Sustainability

# FTSE Blossom Japan Index: Supply Chain Evaluation by FTSE Russell

The FTSE Blossom Japan Index of stocks was created by FTSE Russell. Its constituents include Japanese companies with outstanding environmental, social, and governance (ESG) initiatives. UBE has been selected as a constituent of this index. UBE's inclusion is based on its group-wide efforts to promote sustainable procurement, including the implementation of its Sustainable Procurement Policy and the UBE Group Sustainable Procurement Guidelines. This policy and these guidelines encompass respect for human rights, compliance with laws and social norms such as the exclusion of organized criminal groups and other anti-social forces, and commitment to the environment. In the area of supply chain efforts, the Group received a high score of four out of five from the index managers.

#### Support for Declaration on Partnership Building

April 1, 2022 — UBE Corporation announces its endorsement of the intent of the Declaration on Partnership Building established by the Council on Promoting Partnership Building for Cultivating the Future, whose members include the Chairman of Keidanren, the Chairman of the Japan Chamber of Commerce and Industry, the President of the Japanese Trade Union Confederation (RENGO), and relevant ministers (Minister of State for Economic and Fiscal Policy, Minister of Economy, Trade and Industry, Minister of



Health, Labour and Welfare, Minister of Agriculture, Forestry and Fisheries, and Minister of Land, Infrastructure, Transport and Tourism). In accordance with this endorsement, the Company has issued its Declaration on Partnership Building.

Based on its founding spirit of coexistence and mutual prosperity, UBE will continue to enhance collaboration with suppliers with the goal of adding value throughout the supply chain.

# UBE Declaration on Partnership Building

With the Declaration on Partnership Building, companies declare their commitment to the following:

- Coexistence and mutual prosperity throughout the supply chain and new collaborations transcending corporate size and affiliation
- Compliance with desirable trade practices between parent enterprises and subcontractors (Promotion Standards under the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises).

This declaration is made by company representatives on behalf of the company.

#### Relevant link:

Declaration on Partnership Building portal website (in Japanese)

#### Logistics

#### **Transport Safety**

To ensure the safe transport of chemical substances, the UBE Group provides transport companies and drivers with safety information to use in case of an accident during transport. This is only part of the Group's commitment to preventing logistics accidents and enhancing logistics quality.

#### **Sustainable Logistics**

Ube Industries endorses the Sustainable Logistics Movement and implements voluntary measures to realize the aims of the initiative.

#### 1. Sustainable Logistics Movement

Sustainable Logistics Movement, which was started with the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), Ministry of Economy, Trade and Industry (METI) and Ministry of Agriculture, Forestry and Fisheries (MAFF), is an initiative aimed at ensuring stable logistics function necessary for the people's lives and for industrial activities while also contributing to economic growth in response to the worsening shortage of truck drivers. It aims to improve the productivity of truck

transportation and raise logistical efficiency, while looking to realize a labor environment that makes it easier for women and drivers over the age of 60 to work.

#### 2. Ube Industries Declaration to Take Voluntary Action

Action	Description
Use of Pallets	Increase pallet use with the acknowledgement of customers and business partners, reduce the burden of loading and unloading tasks on logistics companies, and reduce the time spent on loading and unloading.
Joint Collection and Delivery Destinations	In order to reduce the working hours of drivers, Ube Industries will cooperate with Group companies to implement joint collection and joint delivery of cargo. We will give serious consideration to any suggestions from logistics companies to modify the cargo collection and delivery methods.
Improvement of Shipping Facilities	Expand and modify the layout of logistics facilities including warehouses, and reduce long distance transport.
Safety Measures for On-Site Transport, Loading, and Unloading	Identify the risk factors for on-site transport, loading, and unloading work, prepare work procedure manuals, and conduct safety education for business partners in order to enhance safety.
Cancellation or Suspension of Operations in Case of Weather Irregularity	Do not make unreasonable transport requests if a weather irregularity such as a typhoon, torrential rain or heavy snowfall is observed and/or forecast. Additionally, respect the decisions of transport companies if they deem it necessary to cancel or suspend operations for reasons of driver safety.

#### 3. Actions Already Taken by UBE Group

The UBE Group launched a Logistics Re-Engineering Project in 2007 aimed at improving logistics efficiency, and has implemented a number of enhancements including implementing joint transport of freight and modal shifts to more efficient means of transport. For rubber product transportation, Ube Industries and logistics company Kankokisen Co., Ltd. were accredited as leading companies in the Fiscal 2011 Eco-Ship Modal Shift project of the Maritime Bureau of the Ministry of Land, Infrastructure, Transport and Tourism. The UBE Group established a Group Logistics Efficiency Liaison Group in 2016, which is working to increase the level of cooperation with customers and business partners, and improve transportation efficiency.

The Group considers the logistics crisis in Japan to be an issue affecting all of Japanese industry, and is working with customers and business partners to further streamline its logistics as part of the Group's efforts to reduce environmental impacts through supply chains.

## Respect for Intellectual Property

#### **Policy**

We will gain a sustainable competitive edge in our specialty chemicals business by having our business, R&D, and IP departments collaborate closely in IP initiatives.

# Structure

For the specialty business, these three departments hold IP strategy meetings. There, they discuss IP acquisitions and progress with investments in that area to ensure initiatives are on track. Regular reports on overall IP activities go to the Strategic Management Meeting and the Board of Directors. They issue instructions on and supervise policies and execution approaches for IP efforts.

### **Initiatives**

Intellectual property rights, including patents, utility models, designs, trademarks, copyrights and know-how (trade secrets), are valuable assets that legally reinforce the market exclusivity of the UBE Group's products and services. Patents are created on a regular basis out of the Group's R&D, production technology development and other activities, and the Group applies for hundreds of patents in and outside Japan every year.

	Japan	United States	Europe	China	South Korea	Taiwan	Other countries/regions
Number of Patents Held (Registered)	111	13	3	17	17	10	16
FY2022		Foreign: 76					
Cumlative Number of Patents Held as of March 31, 2022	1,442	1,457					

#### Protection and Use of Intellectual Property and Infringement Countermeasures

Due to revisions to business policy or R&D themes, some of the UBE Group's patents occasionally become unnecessary. Therefore, an evaluation of the necessity of maintaining each of the Group's patents is done every year to confirm that it is maintaining necessary rights groupwide.

Patent infringement has serious consequences and can lead to an injunction to stop manufacturing or trigger expensive lawsuits. Infringing on the legitimate rights of other companies is certainly not socially acceptable. To prevent such infringements, Group companies investigate the patents of other companies and the scope of their patent rights. If necessary, Group companies may negotiate a license for business implementation within the scope of the other company's patent or even attempt to have the patent rights legally invalidated. However, pursuing licensing or attempting to invalidate a patent can be time-consuming and expensive with no guarantee of success. This makes it necessary to find ways to conduct business without infringing on the patents of other companies, and keep the Group's business fully protected through patents.

#### Incentive System

To encourage new inventions and facilitate the smooth usage of intellectual property rights, Ube Industries has established internal rules compliant with the Act on the Partial Revision of the Patent Act and Other Acts regarding employee inventions and pays multiple types of monetary rewards to inventors. Of these, rewards based on actual business results serve as a barometer indicating the extent that a patent is being put to effective use in business. The ongoing creation of numerous incentivized patents is essential to the strong growth and development of the UBE Group's business.



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# **Community Engagement**

For over 100 years since the founding of UBE Corporation, the UBE Group has sought to coexist and mutually prosper with all stakeholders and consistently apply creativity to manufacturing.

The UBE Group will continue to transform itself and leverage original technology to make products that meet the needs of today. As a good corporate citizen that seeks to coexist with society, the Group is committed to pursuing social initiatives in and outside of Japan and contributing to the development of communities.

# **UBE Group Guidelines for Social Contribution Activities**

Under the UBE Group's founding spirit of "mutual coexistence and prosperity" and as a responsible corporate citizen of the international community, we will engage in diverse social initiatives and foster positive community relations.

- 1. We will broadly utilize technologies and human resources from diverse business sectors to build positive societal relations
- 2. Our business locations will take a central role and make certain to engage in social initiatives that contribute to the advancement of communities.
- 3. We will actively support each employee who chooses to be involved in volunteer initiatives.
- 4. We will pursue social investments centering on the following areas: global environment, communities, science and research, and education and culture.

#### Approach to Community Investment

Our business strategy is formulated based on our founding principles and UBE Management Principles. The former stipulates respect for "coexistence and mutual prosperity," while the latter focuses on creating value as a corporate group that contributes to all stakeholders, including local communities. We set the global environment, local communities, and other areas as priority social contribution investments (community investments) based on such material issues as the environment, society, and governance.

#### Framework for Social Initiatives

Social initiatives are implemented under the guidance of the UBE Group Guidelines for Social Contribution Activities. These guidelines are a matter of deliberation and approval by the headquarters executive meeting, which is headed by a director of UBE and is responsible for deliberating on the Group's business strategies and other important matters. In line with the guidelines, Group companies and business sites implement self-driven social initiatives, which they regularly report to senior management.

The Legal & General Affairs Department conducts an annual survey on social initiative performance among business sites and Group companies. The department uses the survey data to track the Group's social initiative performance and reports on it to the officer responsible. The entire Group is made aware of the performance so that they can execute social initiatives more effectively.

Budgets for social initiatives and corporate donations are approved by the president or officer responsible, depending on the amount involved.

# **Actual Expenditures for Social Initiatives**

The UBE Group prescribes its Basic Guidelines for Social Contribution Activities to guide its investment in various social initiatives.

The Group tracks and publicly releases its annual social contributions and investments, focusing on the following four areas.

#### 1. Global Environment

We will seek to conserve the global environment in all its diversity and ensure a global environment that is safe and secure to live in for future generations.

#### 2. Communities

We will contribute to the advancement of communities, under the founding spirit of "coexistence and mutual prosperity" that has guided the UBE Group for over 120 years.

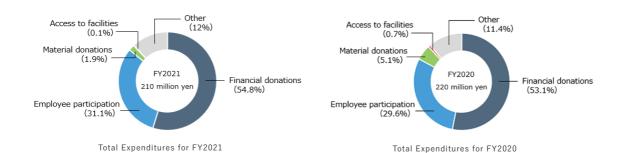
#### 3. Science and Research

We will aim to contribute to scientific progress and foster richly creative human resources by collaborating with universities and research institutes.

#### 4. Education and Culture

We will broadly send the message of chemistry as an appealing field to future generations in whose hands we will leave the future, and will continue to support cultural activities and the arts.

Actual expenditures for social initiatives are as follows.



Item	Description
1. Financial donations	Financial donations related to social initiatives and welfare
2. Material donations	Material donations including the provision of UBE Group products to social welfare organizations
3. Access to facilities	Expenses related to providing external access to Group facilities such as gymnasiums, grounds, and meeting rooms
4. Employee participation and outreach	Labor and travel expenses for employees participating in social initiatives during working hours, such as participating in a community event as part of work duties, hosting lectures, etc.
5. Other	Donations and expenses for other activities not falling under the preceding four categories

Note: Above is consistent with the implementation procedures for Survey on Corporate Philanthropic Activities from Keidanren (the Japan Business Federation)

# **Summary of Main Social Initiatives**

Fiscal 2019 Performance

		Perform	nance	
Four Areas Covered by Guidelines	Description and Purpose of Initiatives	Frequency of Implementation	No. of Employees Involved	Detailed Description of Initiatives and Outcomes
Global Environment	Conserve ecosystems around business sites and conserve the environment in communities, through tree planting and clean-up efforts	52 in total	2,705 in total	The Group implemented the following initiatives, some of which received local media coverage.  1. Environmental maintenance of watersheds (covering approximately 1,500 hectares)  2. Clean-up efforts for beaches, roads around plants, and neighboring communities  3. Planting of flower beds at business sites  4. Tree planting (236 varieties of local tree species)  5. Support for workshops such as environmental education for children (2,400 persons)
Communities	Promote a better understanding of the Group's environmental conservation, process safety, and disaster prevention initiatives as they relate to its businesses and Responsible Care commitment, through dialogue with communities	18	41	Group business sites exchange opinions with community members concerning their business operations and the community's future, to facilitate the sustainable development of communities. In particular, community dialogue about Responsible Care is enhancing the level of mutual understanding regarding environmental conservation, process safety, and disaster prevention initiatives, between Group business sites and community residents, the education field, governments, various organizations, and other companies. (Approximately 500 participants)
	Disseminate information about and promote a greater understanding of the Group's business activities among a wide range of stakeholders, by hosting visits and giving plant tours	46	498	Group business sites receive visits from a wide range of stakeholders including students, the general public, and business partners, which gives them a better understanding of the Group's business. These efforts have elicited letters of appreciation from schools and other stakeholders. UBE also hosts an industrial tour organized by the Ube Visitors & Convention Association that is conducted 12 times per year. (Approximately 18,000 beneficiaries)
	Maintain lines of communication with communities by organizing, participating in, and supporting local events	59	1,046	Group business sites participated in various locally organized events both in Japan and other countries including Spain and Thailand. The Ube Chemical Factory organizes an annual summer festival that is popular among community residents. (Approximately 360,000 beneficiaries)

	Description and Purpose of Initiatives	Perforn	nance	
Four Areas Covered by Guidelines		Frequency of Implementation	No. of Employees Involved	Detailed Description of Initiatives and Outcomes
Science and Research	Help stabilize the operation of academic research institutes and promote technology development by extending donations and scholarships as well as lending staff to provide instruction	52	Sent 28 instructors	The Group is helping to further stabilize the operation of research institutes including universities and promoting new technology development by making regular donations and lending its researchers to provide instruction. (Approximately 2,000 beneficiaries)
Education and Culture	Increase awareness of chemistry and an understanding of the chemical industry's social contributions by organizing science experiment workshops	3	39	The Group organizes science experiment workshops to foster children's interest in chemistry. The workshops have drawn positive feedback from participants and have been featured in local media and on television.  (Approximately 272 participants)
	Help young people to better understand the Group's business, foster career awareness, and choose occupations through internships	50	282	Every year the Group offers internships to gain work experience at the head office or plants.  The level of satisfaction among the participants is high and the program has led to the hiring of employees. (Approximately 293 interns participating)
	Enhance the local music culture and foster the next generation by holding concerts and supporting the arts	12	40	The UBE Group Charity Concert has been held every year since 2008 with the Japan Philharmonic Orchestra performing in Ube City, Yamaguchi Prefecture. All ticket proceeds are donated to local music-related organizations.  The concerts provide the citizens of Ube City with the opportunity to experience classical music in all its magnificence performed by a full orchestra, and are in line with the Group's founding spirit of "coexistence and mutual prosperity." The concert is enhancing the local music culture and helping to foster the next generation. (1,353 beneficiaries with donations amounting to approximately \(\frac{4}{2}\).5 million)

# **Social Initiatives**

# **Business Site Initiatives**

- **UBE Contributes to COVID-19 Relief Efforts**
- UBE Classical Concert

- Tsubasa community gazette
- Social Initiatives by Region

# Responsible Care Regional Dialogue Meetings

UBE's chemical plants are regional members of the Responsible Care Committee of the Japan Chemical Industry Association (JCIA), specifically in the Western Yamaguchi, Sakai/Senboku, and Chiba regions. JCIA member companies conduct biennial regional dialogue meetings in each region to inform community residents about their Responsible Care initiatives, which encompass environmental conservation, process safety and disaster prevention, and occupational safety.

Because UBE's production base is located in Ube City and since the dialogue meetings provide valuable interaction with regional industry, government, academia, and residents, the Company hosts an Ube regional dialogue meeting every other year in the absence of a Western Yamaguchi regional dialogue meeting, as an annual initiative.

UBE and its Group companies will continue to practice Responsible Care emphasizing dialogue with community residents, in order to coexist with communities and for corporate growth and the advancement of communities.

#### **Products with Social Value**

Socially Valuable Products



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# **UBE Classical Concert**

Since 2008, UBE has been inviting the Japan Philharmonic Orchestra to Ube City, Yamaguchi Prefecture, where the company was founded, to hold a concert of classical music with a full orchestra. The goal is to contribute to the development of local culture through music based on UBE's founding principle of harmonious coexistence.

#### 16th UBE Classical Concert



Outline (UBE Announces 16th UBE Classical Concert — Nurturing Children with Music)



# **UBE Classical Concert**

- The concert features an original program planned and run by employees of UBE Corporation.
- All proceeds from concert admission fees (totaling approximately 30 million yen) are donated to improve local music culture.
- In conjunction with this concert, the Japan Philharmonic Orchestra will also hold a friendship concert at a hospital in Ube City and a free music clinic and mini concert for the brass band clubs of junior high schools in Ube City.
- Continuing safely even during the COVID-19 pandemic, the concert series has been carefully managed and, inspired by the motto, "Together with the People, Together with Music," has been nurtured over many years into one of the community's most beloved events.



Main performance



A friendship concert at Yamaguchi University Hospital



A friendship concert at Ube-kohsan Central Hospital



A friendship concert (Tanpopo Concert) at Ube-kohsan Central Hospital



Music clinic at a junior high school in Ube City



Mini-concert by Japan Philharmonic Orchestra instructors after the music clinic at a junior high school in Ube City



Joint performance by the Japan
Philharmonic Orchestra instructors
and junior high school students
after the music clinic at a junior
high school in Ube City

#### **History of UBE Classical Concert**

#### Click here for details -

1st concert (2008)

As a social contribution activity for the local community, the company began holding the UBE Group Charity Concert at the Ube City Watanabe Memorial Hall, which was built to commemorate the achievements of UBE's founder, Sukesaku Watanabe, and has hosted performances by many famous musicians in Japan and from around the world. It was first held as a summer family concert for children, but since most of the audience were adults, the company decided to hold it as an autumn classical concert from the following year.

2nd - 9th concerts

The original Composer Series programs were presented.

4th concert (2011)

Elementary and junior high school students were invited free of charge to the dress rehearsal. This was continued thereafter until 9th concert and changed to invitations to main performances, etc., from the 10th concert onward.

5th concert (2012)

Hearing-impaired people were invited to the dress rehearsal, and body sonics were used. This was continued thereafter.

10th concert (2017)

Premium events were held to commemorate 10th anniversary of the concert. Participants were selected by lottery from among those who had purchased tickets for the concert. The events were: (1) 60 people invited to an orchestra talk and instrument hands-on experience, (2) 100 people invited to observe the dress

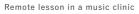
	rehearsal, and (3) approximately 100 junior high school students in Ube City invited free of charge to the main performance (the invitation was changed from the dress rehearsal to the main performance).
11th concert (2018)	The company continued to invite about 100 junior high school students in Ube City to the main performance free of charge.
12th concert (2019)	The soloist signed autographs.
13th concert (2020)	The concert was held with thorough measures to prevent the transmission of COVID-19 (e.g., by holding two performances per day with only 20% of the seating capacity filled).
14th concert (2021)	The concert was held with thorough measures to prevent the transmission of COVID-19 (e.g., by filling only 50% of the seating capacity).
15th concert (2022)	<ul> <li>In light of the company's name change to UBE Corporation, the 80th anniversary of its incorporation, and the 125th anniversary of its founding, the purpose of the concert was changed to place more emphasis on supporting children's music education (in schools), and the name was changed to UBE Classical Concert.</li> </ul>
	• Elementary and junior high school students not only from Ube City, but also from the neighboring cities of Sanyo Onoda and Mine are invited to the main performance. UBE hopes to provide more children with opportunities to experience classical music and to support their growth through music education. UBE also sees this as a contribution to SDG 4, "Quality Education."

#### Music clinic and mini-concerts

On the day before the UBE Classical Concert, instructors from the Japan Philharmonic Orchestra are invited to conduct a music clinic, in which they instruct brass band students on their instruments. They also give a mini concert by themselves and a joint concert with junior high school students. These events are held in classrooms and gymnasiums at junior high schools in Ube City. They are organized by the Watanabe Memorial Culture Association with the cooperation of UBE Corporation. In 2020 and 2021, the music clinics were changed to a remote\* format to prevent transmission of COVID-19. Face-to-face instruction allows the instructors to check the sound and condition of the instruments while remote instruction has the advantage of being able to tailor the instruction to each individual's challenges. UBE is cooperating fully in the organization of these events associated with the UBE Classical Concert, including the use of its human capital.

\*One-on-one lessons using the online conferencing tool Zoom







Face-to-face instruction in a music

#### Comments from students

- I am glad that I was able to play beautifully in the joint performance after the clinic because I learned better how to produce sound and how to play musically. (Horn, 2nd year junior high school student)
- I had never been able to produce high notes, but after being taught, I was able to do it for the first time. I am very satisfied. (Trumpet, 1st year junior high school student)

#### The 10th UBE Classical Concert — Commemorative Concert

The conductor for 2017 concert, the 10th anniversary concert, was Sachio Fujioka, who wielded the baton for the second time in four years. The soloist was Ayako Uehara, a talented pianist who won the first prize in the piano section of the 12th International Tchaikovsky Competition. She performed Rachmaninoff's *Piano Concerto No. 2 in C minor, Op. 18* and Tchaikovsky's *Symphony No. 5 in E minor, Op. 64*. At the beginning of the concert, Mr. Fujioka, the conductor, provided musical

commentary and introduced Ms. Uehara. Ms. Hiromi Shoji of Libertas Ube, Ltd. served as sign language interpreter.

Rachmaninoff's *Piano Concerto No. 2* was the most requested piece on the previous year's visitor questionnaire. This piece was also in the news when figure skater Mao Asada used it in her free program at the Sochi Olympics.

This masterpiece is known as a difficult piano piece, but Ms. Uehara played it with overwhelming technical mastery and an intense touch as if she were possessed by something. With the dazzling beauty of the high notes and a thrilling and earnest battle with the orchestra, it was truly a once-in-a-lifetime performance.

On this occasion, Ms. Uehara gave an encore, which is unusual for a soloist. The encore piece was Tchaikovsky's *Méditation*. It was a time to be entranced by the solo piano performance.

After a 20-minute intermission, the second half was Tchaikovsky's *Symphony No. 5.* Mr. Fujioka said, "I am happy to perform the No. 5 for the first time with the Japan Philharmonic Orchestra. The Japan Philharmonic's dynamic sound makes it the best orchestra in Japan for Russian music." Just as he had said, the performance was dynamic, full of grandeur and intonation. Regarding the fourth movement in particular, Mr. Fujioka declared, "I hope the performance will be something out of the ordinary, as if the devil himself were in the music," and true to his word, the piece came to a grand conclusion with an unearthly sound.

The encore was the second movement *Waltz* from Tchaikovsky's *Serenade for Strings*. The enchanting rhythm was intoxicating, as if it had cast a spell on the audience.



Main performance

To commemorate the 10th concert, two premium events were held on the same day before the main performance: (1) an orchestra talk and instrument hands-on experience, and (2) a dress rehearsal observation.

- (1) The orchestra talk and instrument hands-on experience was attended by 35 people. Japan Philharmonic Executive Director and viola player Yuji Goto gave an interesting explanation of the orchestra's composition and how the instruments work. The hands-on experience with musical instruments was a lot of fun, as some participants were delighted with the feeling of playing a violin for the first time.
- (2) For the dress rehearsal observation, 100 lottery winners and 30 children with disabilities from Ube General Special Needs School and other special-needs schools (including their guardians and accompanying adults) were invited to observe the final rehearsal before the performance. Once again, for the benefit of the hearing-impaired, five seats with a sensory sound system were prepared for use during the dress rehearsal and the main performance with the cooperation of Pioneer Corporation and Libertas Ube, Ltd.





Orchestra talk and instrument hands-on experience



Friendship concerts were held at Yamaguchi University Hospital and Ube-kohsan Central Hospital on the day before the main performance. Previously, the friendship concerts featured a string quartet (two violins, viola, and cello), but for the first time, the audience enjoyed a woodwind quintet (flute, oboe, clarinet, bassoon, and horn). In addition, the Tanpopo Concert was also held at the Ube-kohsan Central Hospital in order to allow the general public as well as patients to attend. The concert was fully attended, drawing 130 people. On the same day, a community concert was held at Higashikiwa Junior High School as part of a project of the Watanabe Memorial Culture Association (whose representative director at the time was Michio Takeshita). The concert featured eight members of the Japan Philharmonic Orchestra and junior high school students from Ube City (Higashikiwa Jr. High, Nishikiwa Jr. High, and Konan Jr. High).

The first part, a music clinic, was attended by 118 brass band club members from three junior high schools in the city. Divided into trumpet, trombone, horn, tuba, clarinet, flute, and percussion classes, the students were warmly instructed on their individual instruments by members of the Japan Philharmonic.

The second part was a mini-concert open to the public. The Japan Philharmonic Orchestra gave a brass quintet performance as well as a joint performance with junior high school students. The piece for the joint performance had previously been *The High School Cadets*, but this was the first time it was changed to Ghibli Songs. The 330 audience members applauded loudly.



A friendship concert at Yamaguchi University Hospital



A friendship concert at Ube-kohsan Central Hospital



Tanpopo Concert at Ube-kohsan Central Hospital



A music clinic held in conjunction with a community concert at Higashikiwa Junior High School



A mini-concert held in conjunction with a community concert at Higashikiwa Junior High School



A community concert at
Higashikiwa Junior High School with
a joint performance by orchestra
members and students



Sustainability

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# Tsubasa community gazette

The UBE Group publishes the Tsubasa community gazette as a Japanese language information publication for residents of Ube City, Yamaguchi Prefecture, where the Group was founded. As part of the Group's CSR initiatives, the gazette enhances community engagement by helping residents to get to know the UBE Group. The gazette directly provides community residents with diverse information about the Group and brings both parties closer by building trust, easing community concerns, and developing an affinity with the Group.

Tsubasa community gazette(Japanese)



Sustainability

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# Social Initiatives by Region

For the more than 100 years since its founding, the UBE Group has sought to coexist and mutually prosper with all stakeholders, and consistently pursue manufacturing that is rich in creativity.

The UBE Group will continue to transform itself and leverage its own technology to make products that meet the needs of today. As a member of society that is committed to coexistence, the Group will actively pursue social initiatives that benefit society.

Note: The following outcomes of fiscal 2019 initiatives are summarized under "Fiscal 2019 Performance."

#### **UBE**

November, 2023	15th Forest Creation Experiential Activity for Water Conservation
October, 2023	UBE Cup 46th Yamaguchi Prefecture Western Region Junior Soccer Tournament
September, 2023	UBE Fureai Summer Festival
August, 2023	<u>Dream/Chemistry-21 Children's Chemistry Experiment Show 2023</u>

See Full List 💿

# **Spain**

December, 2023	Donation to the Rare Disease Patient Organization ASEMI
May, 2023	Participation in Jaume I University's Job Fair
May, 2023	Participation in the First Castellón Corporate Marathon
January, 2023	Participation in the Joint Monitoring Committee for Plastic Recycling at Jaume I University

See Full List 💿

## **Thailand**

September, 2023	UBE (Thailand) Takes Part in Rayong Cleanup Event on International Coastal Cleanup Day 2023
March, 2023	UBE (Thailand) Provides iPEC Program Scholarships for Two Students
February, 2023	<u>UBE (Thailand) Co-sponsors Educational Program for Outstanding Technician Developments.</u>
October, 2022	Donating 800 bottles of insect repellent for supporting flood victims

See Full List 💿





Sustainability

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Investor Relations



Sustainability

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# **Human Capital**

- \* <u>UBE Group Human Resources Management Guidelines</u> \* <u>Talent Strategy for Becoming a Specialty Chemicals Company</u>
- Personnel System Diversity, Equity and Inclusion Diverse, Flexible, and Efficient Work Practices
- Quality Working Environment
  Occupational Safety and Health
  \*ESG Data (Human Resources)

# **UBE Group Human Resources Management Guidelines**

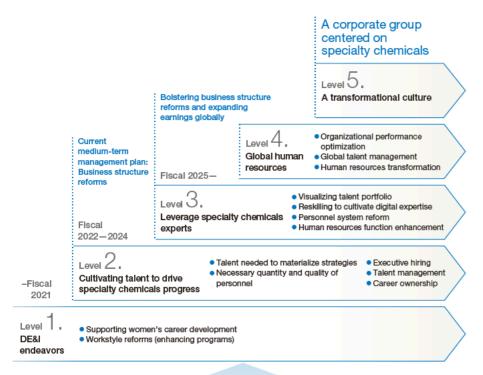
The UBE Group has issued these human resources management guidelines in order to enhance its corporate value and maximize the well-being of employees.

These guidelines present the shared values the UBE Group practices in human resources management. While group companies have their respective rules, customs, and personnel provisions, these guidelines outline the Group's universal approach to human resources management and apply to all group companies worldwide.

- 1. Value the diversity of our human resources and respect each person's individuality.
- 2. Keep employees' motivation high by encouraging their creativity and autonomy.
- 3. Provide many opportunities for all employees to develop themselves based on their own professionalism.
- 4. Pursue fair evaluation and remuneration.
- 5. Be receptive to diverse work styles, maintain good working environment, and further improve the working environment.

## Talent Strategy for Becoming a Specialty Chemicals Company

We have formulated a five-level talent strategy to undertake initiatives that drive our transformation into a company focusing on specialty chemicals. We are accordingly recruiting and training talent under our current medium-term management plan, which corresponds to Level 2.



#### **UBE's Talent Strategy**

In order to foster a more innovative corporate culture in which employees can take control of their own careers, we will identify gaps in the required skill-sets of our employees and offer the appropriate training and career paths as necessary steps in attracting diverse talents and those who will contribute towards our focus on specialization.

### Priority Measures of the medium-term management plan and Progress

#### **Priority Measures (FY2024 Targets)**

#### 1 Providing greater opportunities for women Percentage of women in the workforce: 15% Percentage of women in management positions:

# 2 Mid-career hires and non-Japanese

Percentage of mid-career hires (Generalist positions): 50% or more

Non-Japanese national hires (Generalist positions): Multiple people'

- 3 Introducing specialist system, hiring highly specialized mid-career recruits, and enhancing measures for rehired retirees
- 4 Creating comfortable, motivating workplaces, and increasing employee satisfaction

Percentage of male employees taking childcare leave: 100%

Average childcare leave taken: 15 days (Average FY2022-FY2024 (Parent company))

Total hours worked: 1,900 hours (KPI for FY2025 (Parent company))

#### Progress (FY2022 Results)

#### 1 Providing greater opportunities for women

Percentage of women in the workforce: 14.4% (FY2021) ⇒ 15.0% (FY2022)

Percentage of women in management positions: 3.3% (FYŽ021) ⇒ 4.1% (FY20Ž2)

#### 2 Mid-career hires and non-Japanese national hires

Percentage of mid-career hires (Generalist positions): 37.3% (Consolidated basis in Japan) 40.0% (Parent company) (FY2022) Non-Japanese national hires in new graduate recruits (Generalist positions): Two (Consolidated basis in Japan) Two (Parent company) (FY2023)

- 3 Increased timely recruitment of highly skilled and workready personnel in line with business strategy, and revised re-employment system for rehired retirees based on surveys and opinion exchanges.
- 4 Creating comfortable, motivating workplaces, and increasing employee satisfaction

Under the Certified Health & Productivity Management Outstanding Organizations Recognition Program, one Group company has been selected as a Bright 500 company, and seven Group companies have been recognized as excellent corporations

Percentage of male employees taking childcare leave: 97.2% (FY2022)

Average childcare leave taken: 10.1 days (Parent company)

\* Partially revised indicators from when formulating the medium-term management plan

Double mid-career recruiting ratio for generalist positions to more than 50% to secure more highly talented and work-ready people to align with transformation into a specialty chemicals company increase the percentage of non-Japanese nationals hired for generalist positions from a target of more than 5% to commit to expanding multiple

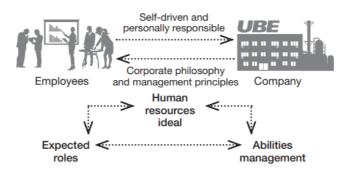
individuals (lift recruiting to overhaul corporate culture through DE&I efforts and global business expansis Percentage of male employees taking childcare leave: More than 75% ⇒ 100% (FY2022 result: 97.2%)

#### **Personnel System**

The UBE Group pursues performance driven by the principles of autonomy and self-responsibility. This stems from our founding philosophy, which inspires us to continually generate technological innovation and promote self-transformation in response to changes in the environment. We have adopted a human resource system that clarifies the expected roles for employees. It also

objectively evaluates their performance so that each individual can maintain an awareness of their mission and issues for improvement, ultimately resulting in a sense of job satisfaction.

During fiscal 2019 and 2020, we revised the HR system for each job grade in order to increase the motivation to achieve targets, and in order to promote human resource development. Along with reducing personal allowances, we have adopted an evaluation and qualification system that further emphasizes employee performance. Employee motivation is further enhanced through greater opportunities for promotion and salary increases. Finally, we will improve our human resource development capabilities by introducing a system to better compensate managers who demonstrate enthusiasm and implement initiatives for guiding and training their subordinates and younger employees.



#### **Human Resources Development**

UBE is expanding its investment in human capital development and is working to develop human capital for growth and innovation.

In order to develop human resources who can work in a diverse business and globalised environment, the following approaches have been strengthened.

- 1. OJT (on-the-job training)
- 2. OFF-JT (off-the-job training: group training, etc.)
- 3. Self-development support system

Through these approaches, UBE is actively working to develop human resources so that each and every employee can fully demonstrate his or her abilities through work.

	FY2022 (Parent company)
Investment in off-the-job training per persor	n*1 ¥120,000
Training hours per person*2	17

<sup>\*1</sup> Calculation methodology: (Total education and training expenses + Labor costs for department overseeing training) / Number of employees on non-consolidated basis (as of fiscal 2022 year-end)

We are enhancing investments in people to cultivate talent that can achieve growth and drive innovation. Even during the COVID-19 pandemic, we prioritized enhancing internal communication by providing some in-person training to augment largely online sessions to boost efficiency and optimize effectiveness. We draw on external e-learning services for job level-specific training to foster a culture in which employees keep growing by taking ownership of career development.

#### **Training System Overview**

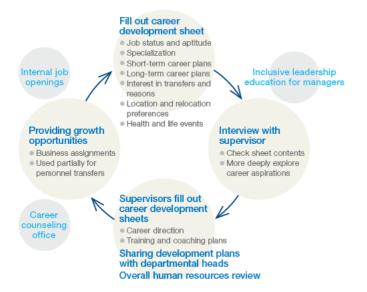
<sup>\*2</sup> Calculation methodology: (Total hours of group training + Total hours of e-learning) / Number of employees on non-consolidated basis (as of fiscal 2022 year-end)

		Level-Based Training		Ti	aining	by The	eme		ernation sonnel [			Supp	ort for roven		pendent aining	Affiliates
Din	ector/Executive	Executive management stu  New Executive Training	dy group													Group Company new executive training
	Manager	Upper-level management train Midlevel management train New management training	ing		Career ≪ life		e-learning				Global E	va				
	Grade M	Grade M training			e plar		ning (			L	Susine	rious			L	
	Kikansyoku* employees 1				∞ life planning training		Sustainability, Compliance, Human rights, Health,				Global Business Leader Programme	various types of home-studying courses and assistance		Self Im	Company- a	
Career-track employees 1	Kikansyoku* employees 2					Mid-career recruitment training	, Compliance				gramme	ne-studying		Self Improvement support through	and division -	
	Kikansyoku* employees 3	Career-track employees 1 training	Training for Kikansyoku* employees 3	Elder		ecruitment t	, Human right	Business En	Cultural sensitivity training	Overseas ME		courses and	TOEIC exams	upport throu	-specific training	
Career-track	Kikansyoku* employees 4		Training for Kikansyoku* employees 4	Elder training		raining	s, Health, etc.	Business English training	itivity traini	Overseas MBA programmes		assistance o		video	ing	
employees 2	Kikansyoku* employees 5	Basic management training	Training for Kikansyoku* employees 5						K	28		of acquiring official		content		
Career-track	Kikansyoku* employees 6	Follow-up training for Career- track employees	Follow-up training for Kikansyoku* employees						. []			fficial				
employees 3	Kikansyoku* employees 7	Training for newly-hired generalists	Training for newly-hired Kikansyoku® employees				Ш									

<sup>\*</sup> Technical employees and administrative employees

### **Increasing Job Satisfaction**

Our efforts thus far have resulted in positive work environments. We will undertake initiatives that improve job satisfaction and work engagement. We maintain a setup in which employees prepare annual career development sheets to explore career plans through interviews with supervisors. We offer employees opportunities to transfer internally to other positions and pursue new career paths. In April 2023, we set up an in-house career consultation office that enables employees to shape their own careers with assistance from consultants. We also train managers in improving their interviewing skills and organizational work engagement.



#### **Work Engagement**

UBE uses index of the new Brief Job Stress Questionnaire that companies around Japan administer to employees to gauge work engagement levels and trends. We will improve work engagement and strengthen the organization. We will do so by creating a structure that enables managers to track circumstances at each workplace. We will also create opportunities for growth through education and provide interactive positive mental health training in collaboration with external employee assistance programs to motivate workers.



#### **Enhancing Global Human Resources Development**

The UBE Group actively works to develop human resources that can contribute to its growing international business in various domains. The key points of the strategy are to: (1) foster global business leaders, (2) increase the opportunities for gaining international experience, (3) enhance cross-cultural capabilities, and (4) improve language capabilities.

We are also actively promoting personnel exchanges with members of the UBE Group outside Japan. Through joint training, we are improving leadership and project promotion skills and developing employees with a global mindset.

# Diversity, Equity and Inclusion

#### **Basic Views**

Because we aim to become a specialty chemicals company, we know that we have to integrate diverse technologies, expertise, and perspectives to foster innovation so we can overhaul our corporate culture and drive that transformation. We are accordingly fostering gender equality, stepping up recruiting of talented individuals who can hit the ground running, and improving job satisfaction by reviewing our work structure for senior employees. We are also broadening career opportunities for individuals with disabilities. We conduct surveys and enhance opportunities for dialogues to better understand the needs of individuals while expanding our support programs. This is because we prioritize equity and want our people to flourish. We consider it important for managers to be more inclusive leaders so diverse employees can harness their talents and do well. We thus train managers to enhance their career interview skills, better understand work–life balance programs, and ensure psychological safety in workplaces.

UBE has operated a dedicated group for promoting diversity initiatives within the Personnel Department since October 2013, and appointed a diversity promotion leader at each business location in 2022 to promote diversity in human resources and work-styles. We also provide management members with unconscious bias training, and regularly set up forums to discuss diversity in the Strategic Management Meeting and other bodies, where top management is involved in sending out regular communications and overseeing and promoting initiatives.

#### **Diversity in Human Resources**

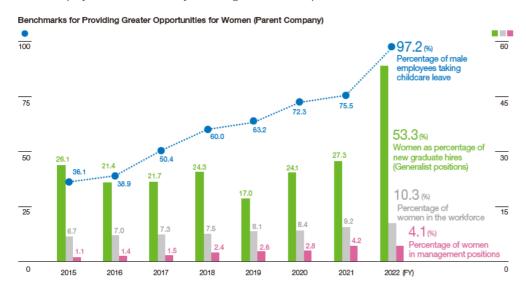
At the UBE Group, we strive to provide stable employment for diverse human resources, regardless of differences in gender, nationality, ethnicity, race, disability, health status, age, social status, family situation, religion, beliefs, gender identity, sexual orientation, employment status, etc.

#### Employee Data (as of March 31, 2023)

	Number o	f Employees	In which, Nu	umber of Managers	Average Age	Average Years of Service
Male	1,972	89.7%	535	95.9%	42.9	15.6
Female	222	10.3%	23	4.1%	40.5	13.1
Total or Average	2,194	100.0%	558	100.0%	42.7	15.4

#### **Providing Greater Opportunities for Women**

We are aiming to attain gender equality, which is atop priority, by setting targets for the percentages of women in management positions and in our workforce. We encourage female employees to be involved in decision-making by increasing the number of female line managers and to take part in recruiting and promotion interviews to reflect diverse perspectives. We recognize that women tend to undertake more unpaid work to care for their families, which impedes their career advancement. We thus provide e-learning about unconscious bias and endeavor to cut total working hours while expanding work-life support programs for all employees. We additionally encourage men to take parental leave.



Wage gaps between r	men and women (Parent company) Wage gaps between men and women
Category	(Ratio of female to male wages)
All workers	78.8%
Regular workers	79.4%
Contract workers	55.8%
management-level r	m underrepresenting women in egular and contract worker posi- ving to hire and advance them.
, ,	ular worker positions do not do o wage gaps from not getting

Shortages of women with science, technology, engineering, and mathematics skills are a social issue. We strive to increase the number of female employees with such proficiency by collaborating with educational institutions and neighboring businesses. One initiative in which we take part in this regard is a Yamaguchi University consortium to accelerate diversity.

We formulated an action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace to enhance work environments for women.

#### Formulated General Business Owner Action Plan for Fiscal 2022 through Fiscal 2024

Based the plan on the Act on Promotion of Women's Participation and Advancement in the Workplace and the Act on Advancement of Measures to Support Raising Next-Generation Children

In keeping with the Act on Promotion of Women's Participation and Advancement in the Workplace, we set the following three goals under a three-year plan starting in fiscal 2022 (Parent company).

- 1. Have women account for 10% or more and 5% or more of our employees and managers, respectively, by the end of March 2025.
- 2. Boost the percentage of female new graduates hired for generalist positions to an average of 30% or more during the plan period.
- 3. Increase the percentage of male employees taking childcare leave during the plan period to 70% or more, with the average leave taken exceeding 15 days.

#### Voluntary Action Plan to Promote Women to Executive and Managerial Positions

Diversity, equity and inclusion underpins our management policies. We are striving to enhance work practice flexibility to cater to diverse personalities and values and hire more women, and offer them more opportunities to play active roles in our organization.

We formulated the following action plan to increase the proportion of female managers to 15% by the end of fiscal 2030.

- Appoint women to more than 30% of new graduate career-track positions
- Implement various measures to foster women's career advancement
- Provide unconscious bias training
- Create climate that empowers women to expand their job scopes
- Bolster support programs for childbirth, childcare, nursing care, and other life events and make those programs easily accessible for all female and male employees alike
- Eliminate long working hours

#### **Recruiting Specialists**

We have committed to hiring diverse people to become a specialty chemicals company that contributes to people's lives and health and an enriched future society. We systematically hire new graduates and experienced individuals while recruiting non-Japanese nationals. In fiscal 2022, mid-career professionals accounted for 37.3% of hires for generalist positions in Japan on a consolidated basis. This resulted from efforts to strengthen timely recruiting and secure specialists with immediately deployable capabilities in line with our business strategies. We doubled our target percentage for mid-career generalist hires to at least 50% for fiscal 2024 under our medium-term management plan. We will keep recruiting specialists.

## Hiring Breakdown (Parent company)

	Number of People (Number of women in parentheses)						
Fiscal Year	2020	2021	2022				
New graduate hires (Generalist positions)	58 (14)	33 (9)	15 (8)				
New graduate hires (Key employee positions)	69 (10)	36 (7)	32 (0)				
Mid-career hires	18 (1)	13 (3)	34 (9)				
Hires with disabilities	1 (0)	1 (0)	6 (2)				
Hires of non-Japanese nationals	1 (0)	2 (1)	_				

#### **Employing Non-Japanese Nationals**

To harness expertise from different values and cultures, UBE revised the global business leader program to include local training in Japan, Thailand, and Spain, and have expanded personnel exchanges with employees of the UBE Group companies outside Japan. (To help prevent the spread of infectious diseases, we have switched to online training in recent years, and will continue to utilize it.)

Additionally, every year the Company hires foreign nationals to work in Japan, and actively pursues personnel exchanges including accepting personnel from international Group companies.

Diversity, Equity and Inclusion at Overseas Subsidiaries

Percentage of Female Managers at UCE 21.6%

Spain

 $\label{eq:ube_update} \textbf{UBE Corporation Europe, S.A. Unipersonal (UCE)}$ 

 On March 8, International Women's Day, we organized an open webinar about "Equality, the new normal." Approximately 100 people participated in this event and we interviewed the President of the Chamber of Commerce of Castellon and local companies' executives.

- Signed the second Equality Plan for the next four years with the worker's committee at UCE
- · Signed the first Equality Plan for the next four years with the worker's committee at Repol S.L.U.
- · Payroll audit with equality perspective
- · More flexibility in the working hours either men or women fostering the co-responsibility in the community

Percentage of Female Managers at UCE 21.6%

Thailand UBE Group (Thailand) (UGT)

- In fiscal 2021, UGT hired 28 employees, eight of whom were women.
- In fiscal 2021, women accounted for roughly 40% of promotions in managerial and non-managerial positions.
- Pushed ahead with a hybrid work model to achieve work-life balance.
   Conducted employee satisfaction surveys and one-on-one interviews that focused on progress with working from home.
   In Bangkok, downsized office and renovated it as a coworking and team meeting space.

#### **Rehiring Retirees**

UBE provides career and life planning training for employees to help them continue working in various workplaces in and outside the Group after reaching the standard retirement age of 60. The aim is to enable them to retain job security by making continued use of their accumulated work expertise and skills.

In fiscal 2022, Questionnaire survey for senior employees and Discussions with the senior managing executive officer in charge of human resources and the head of the Human Resources Department were conducted. In order to create a workplace environment in which senior employees can play a more active role, it was decided that "a system in which the individual and the workplace share a common understanding of the expected role, have responsibility and discretion commensurate with their position, and can work in a rewarding manner" was necessary. Based on these results, we took the following measures in fiscal 2023.

- Interviews on career and working styles.
- Clarification of expected roles and Interviews about their goals at work.

In fiscal 2022, 93.5% of UBE employees who reached the standard retirement age were rehired and are now deployed throughout the UBE Group.

# **Employment of People with Disabilities**

The UBE Group has employed such individuals since establishing a special-purpose subsidiary for them in 1991. A team specializing in dealing with people with disabilities creates a supportive environment by collaborating with local support bodies to assist with everything from recruiting to job placements. That subsidiary matches tasks and individual and discusses and constantly fosters progress by evaluating career development. A parallel endeavor is to broaden job opportunities through special purpose subsidiaries and agricultural jobs. We will continue to practice social inclusion and empower people to showcase their skills and get fulfillment through their work.

### **Engaging with Employees**

Management engages closely with employees as key stakeholders. We survey them to identify areas in which we need to attain equity, provide feedback, and reflect swiftly findings in our measures. Management and employees also engage in direct dialogue to exchange views about UBE's goals and deepen mutual understanding. We discuss human resources strategy issues that come to light by the survey and dialogues in meetings of the Board of Directors, the Strategic Management Meeting, and the Executive Management Workshop. We also share them in labor-management meetings to foster cooperation between both parties.

# Results of parent company dialogue with and surveys of employees in fiscal 2022

- Providing greater opportunities for women
- DF&I
- Work-life balance support
- Health issues
- Unconscious bias
- Assisting rehired retirees
- Support for management

#### Reflected in personnel measures from fiscal 2022

- Initiated childcare support allowance (¥20,000 monthly per child under 3 years old)
- Extended paid childcare leave from 7 days to 15
- Introduced life assistance leave (switched from accumulated leave)
- Published a handbook to help employees balance their professional and personal commitments
- Shortened prescribed working hours for day shift workers by 15 minutes daily
- Increased time off for shift workers by two days
- Revised rehired retiree system and enhanced interviews
- Inclusive Leadership Education for managers

### Diverse, Flexible, and Efficient Work Practices

#### **Basic Views**

We maintain a work and vacation structure that encourages diverse work practices. We are progressing steadily in cutting total working hours, targeting 1,900 hours per person in fiscal 2025. For fiscal 2023, labor and management agreed to a target of 1,915 hours. We share monthly results with all employees as part of our efforts.

#### Paid Leave and Overtime Hours at UBE

Fiscal Year	Unit	2020	2021	2022	FY2025 Target
Ratio of annual paid leave taken	%	66.5	79.3	85.5	100
Overtime (annual average)	Hours per person	181	181	202	
Total hours worked	Hours per person	1,973	1,946	1,916	1,900 or less

#### Work-Life Balance

By actively adopting new programs to help employees balance their work and childcare or family care responsibilities, UBE has enabled flexible work styles and created more supportive workplaces.

In October 2022, we published a handbook to help employees balance their professional and personal commitments. It presents support programs for balancing work with childbirth, childcare, nursing care, and medical treatment. It provides user-friendly information on these programs. We foster understanding among supervisors and peers by providing training for managers and opportunities for safety and health committee lectures.



In April 2023, we rolled out a program that allows employees to take leave for personal injury or illness, nursing care, childcare, volunteer work, infertility treatment, personal and family anniversaries, and life events. Workers can use the program as a safety net when life's emergencies arise, making it easier for them to take annual paid leave.

We foster flexible and efficient work practices by maintaining our telework and flexible work-hour programs. The downside is that communication issues have arisen owing in part to the pandemic. We are accordingly striving to create work environments that enhance productivity while ensuring the psychological safety of employees by encouraging them to come to our work sites at least twice weekly and use cameras during online meetings.

Furthermore, based on the Act on Advancement of Measures to Support Raising Next-Generation Children, UBE has developed an action plan to help ensure an employment environment that allows employees to use their abilities to the fullest while both

working and raising children. In addition to making some childcare leave paid, the Company encourages male employees to take a greater role in parenting.

Under the three-year action plan launched in fiscal 2022, UBE is working toward the following three goals:

- 1. implementation of measures to support balance between work and family life,
- 2. implementation of measures to encourage work-style reforms, and
- 3. expansion of social contribution programs related to raising the next generation.

General Business Owner Action Plan on Advancement of Measures to Support Raising Next-Generation Children

#### Main Work-Life Balance System

System	Description
Maternity leave *1	Up to six weeks prenatal and eight weeks postpartum
Childcare leave	Leave can be taken until the day before the child's first birthday (or the child's third birthday, in certain circumstances). The first fifteen days of leave are fully paid (total with childcare leave a childbirth and childcare leave).
Childcare leave at childbirth	Employees can take four weeks of childcare leave within eight weeks of the birth of a child; four weeks may be divided into two.
Childbirth leave *2	Employees whose spouses have given birth can take four days of paid leave.
Childcare assistance allowance	20,000 yen/month per child for employees who are raising a child under 3 years old
Shortened working time	The working hours of employees caring for children in elementary school or younger, nursing family members, seeing a doctor, and going to school can be shortened by up to two hours per don request.
Flexible working hours	Eligible for all employees except shift workers (no core time)
Shorted/flexible work	Employees can use the shortened working time and flexible working hours systems together.
Child nursing leave	Employees can take leave on an hourly basis to nurse children in the sixth grade of elementary school or younger. (Five days per child can be taken each year, up to a maximum of 10 days a ye for two or more children.)
Family nursing leave	Employees can take leave to provide nursing care for family members (up to a total of 365 days)
Family nursing short	Employees can take leave on an hourly basis to provide nursing care for family members (up to maximum of 5 days a year for one family member, 10 days a year for two or more family member
Half-day annual paid leave	Employees can take paid leave in half-day units
Hourly annual paid leave	Employees can take paid leave in hourly units (up to 40 hours annually)
Accumulated leave	Employees can accumulate up to 40 days of annual paid leave and use it to take time off for sickness/medical treatment, caregiving, fertility treatment, social and community contribution activities, volunteer activities, etc.
Life support leave	Employees to take leave for personal injury or illness, nursing care, childcare, volunteer work, infertility treatment, personal and family anniversaries, and life events. (5 days are granted each year and can be accumulated up to a maximum of 40 days.)
Telework	Employees can work from home as a means to improve work-life balance, raise productivity, and prepare BCPs.

System	Description
Career restart	Gives employees the option to resume their careers if they have to quit for reasons out of their control, such as marriage, giving birth, parenting, caregiving or spouse's job transfer

<sup>\*1</sup> Available for female employees

# **Quality Working Environment**

#### **Labor Union Relations**

The UBE Group respects the basic rights of workers, including the freedom of association and the right to collective bargaining.

At UBE, we have concluded an agreement with the UBE Labor Union that encompasses worker rights. Management engages in negotiations and regular discussions with labor representatives to improve living standards and working conditions for union members and provide comfortable work environments. We endeavor to maintain and enhance healthy relationships between management and labor by having senior executives participate in conference sessions with labor to exchange and honestly discuss views about the Company's issues and direction and share management policies and plans with union members while reflecting their feedback in management.

#### Office and Plant Tours for Families

UBE Group companies give office and plant tours to the families of employees, so that they can see where their family member works and the conditions they regularly work under as well as the way they spend their time. This initiative is aimed at facilitating communication within families and increasing employee motivation.

# Occupational Safety and Health

Occupational Safety and Health

# **ESG Rating**

Society (PDF: 254KB)

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<sup>\*2</sup> Available for male employees